Missouri Salvage Business Registration and Titling Requirements for Rebuilt, Reconstructed, Specialty Constructed, Salvage, Junk, Motor Change, Non-USA-STD, and Kit Motor Vehicles

Missouri Salvage Business License Registration

Who Must Register?

Section 301.218, RSMo requires any person who conducts the business of a used parts dealer, salvage dealer and dismantler, body shop, re-builder, or mobile scrap processor to be registered as a salvage business licensee unless such activities are incidental to the sale, repair, rebuilding, or servicing of vehicles by a registered Missouri motor vehicle franchised dealer. A business that sells only used tires is not required to obtain a salvage business license. The definitions for these businesses are as follows:

- Used Parts Dealer A business that buys and sells used motor vehicle parts or accessories. This definition does not include businesses that sell only new, remanufactured, or rebuilt parts or those who make isolated sales of used parts at a swap meet of less than three days.
- Salvage Dealer and Dismantler A business that dismantles used motor vehicles for the sale of the parts thereof and buys/sells used motor vehicle parts and accessories.

A Missouri Retail Sales Tax Number is required unless a statement is submitted stating the business sells parts on a **wholesale basis only**.

- Body Shop A business that repairs physical damage on motor vehicles that are not owned by the shop or officers or employees by mending, straightening, replacing body parts or painting.
- Re-builder A business that repairs or rebuilds four or more motor vehicles owned by the re-builder in a calendar year but does not include certified common or contract carriers of persons or property.
- Mobile Scrap Processor A business located in Missouri, or any other state, that comes onto a salvage site and crushes motor vehicles and parts for transportation to a shredder or scrap metal operator for recycling.

Salvage
Business
License
Certificate of
Registration

The Department will issue a Salvage Business License Certificate of Registration to all salvage business license applicants upon approval of their application. **Section 301.223**, **RSMo** requires that this license be displayed at all times. All salvage business registrations expire June 30 every two years. It is unlawful for anyone to operate as a salvage business licensee who is not registered as such.

NOTE: If you did not receive your certificate of registration for the current registration period, or the certificate is incorrect, please contact the Motor Vehicle Bureau immediately

Registration Requirements

Any person who wishes to register as a salvage business must submit the following to the Motor Vehicle Bureau, Dealer Licensing Section, P.O. Box 43, Jefferson City, MO 65105

NOTE: Applications that are hand-delivered **will not be approved** the same day.

- A completed *Application for Missouri Salvage Business License* (Form-1879) signed by an owner, partner or corporate officer listed on the application;
- Section 301.221, RSMo also requires all salvage business license applicants to be of good moral character. The Missouri State Highway Patrol will conduct a criminal record check of all owners, partners, or principal officers (if a corporation) listed on the application to determine good moral character. Owners, partners, or principal officers that are out-of-state residents must obtain and submit a current criminal background record check from their State Police, State Highway Patrol, or State Bureau of Investigation.
- A check or money order made payable to the Missouri Department of Revenue in the amount of \$130 for each salvage business activity marked on the application. This fee is not prorated. If registering as both a used parts dealer and a salvage dealer and dismantler, only one \$130 fee and a copy of the Missouri Retail Sales Tax License must be submitted. If registering as a salvage dealer and dismantler only, a \$130 fee and a statement stating the business will not sell parts at retail must be submitted;

NOTE: Effective March 1, 2010 an additional \$10 for each owner, partner, or principal officer listed on the application must be submitted to conduct the criminal record check.

- A photograph, not to exceed eight inches by ten inches (8" x 10"), showing the building and building premises. This must accompany the initial application but is not required for renewals unless changes have been made to the building or building premises; and
- Section 301.221, RSMo requires that all salvage business license applicants establish a bona fide place of business. The place of business must include a permanently enclosed building or structure, either owned in fee or leased and actually occupied as a place of business by the applicant. The public should be able to contact the owner/operator in person or by telephone at any reasonable time at the place of business. The book, records, files, tools, equipment and other matters required and necessary to conduct the business must be kept and maintained at the place of business.

Salvage Pools/ Disposal Sales

Records Required Of Salvage Pools Or Salvage Disposal Sale Operators

<u>Section 301.217, RSMo</u> defines a salvage pool or salvage disposal sale as, "a scheduled sale at auction or by private bid of wrecked or repairable motor vehicles by insurance by companies, underwriters, or dealers, either at retail or wholesale."

Operators of salvage pools or disposal sales:

- Are not required to be registered with Department of Revenue;
- Are required to submit records to the Dealer Licensing Section on a quarterly basis

Only the following persons may participate in sales at salvage pools or disposal sales:

- Engaged and holding a current Missouri salvage license;
- From another state or jurisdiction who are legally allowed in their state to purchase for resale, rebuild, dismantle, crush or scrap motor vehicles; or
- Who reside in a foreign country and are purchasing salvage vehicles for export outside the United States.

Sellers of non-repairable or salvage vehicles at salvage pools/disposal sales for export outside of the United States must:

- Stamp on the face of the title and in each unused reassignment space the words "FOR EXPORT ONLY" in black capital letters;
- Print their salvage dealer number, name of salvage pool, or name of governmental entity, as applicable in each unused assignment area; and
- Forward copies of the title to the Department on a quarterly basis.

Operators of salvage pools or salvage disposal sales must keep a record of all sales of salvage vehicles for three years. The records must contain the purchaser's name, address, the year, make, and vehicle identification number for each vehicle purchased. The records must be open to inspection by any representative of the Department of Revenue, uniformed officer member, or designated employee of the Missouri State Highway Patrol, or any law enforcement officer.

Changes Involving a Salvage Business

If your salvage business incurs any of the changes listed below, submit the following to the Department:

- Business name change A signed Application for Missouri Salvage Business
 License (Form-1879) indicating the new business name. Record "Name Change"
 at the top of the application, and a photograph showing new sign with new name.
- Address change A signed Application for Missouri Salvage Business License (Form-1879) indicating the new address and a photograph showing the building and building premises. Record "Address Change" at the top of the application.

Record Keeping Requirements of Salvage Business Licensees

Penalties for Noncompliance

- Partial ownership change A signed Application for Missouri Salvage
 Business License (Form-1879) indicating the ownership change. If an
 additional owner is being added, submit the full name, Social Security
 Number, birth date, home address, and a \$10 fee for criminal record
 check. Owners, partners, or principal officers being added that are out of-state residents must submit a current criminal background record
 check from their State Highway Patrol or Bureau of Investigations. If an
 existing owner's name is being deleted, a signed statement, which
 includes the business name and salvage license number, must
 accompany the application acknowledging removal of their name.
- Termination of a salvage business A statement notifying the
 Department that the salvage business has been terminated including the
 date of termination/closed. The seller must surrender the salvage
 business license certificate or registration and all salvage
 dealer/dismantler identification cards, if applicable.

<u>Section 301.225, RSMo</u> requires each salvage business licensee to maintain a record for three years on every vehicle, used transmission, rear end, cowl, frame, body, front-end assembly, or engine acquired.

In addition, <u>Section 301.225, RSMo</u> also requires each salvage business licensee to maintain a record on every vehicle which includes the date wrecked, dismantled, or disposed of.

If the vehicle is sold to a scrap metal operator, the licensee must also record the operator's name and address.

The record must contain the following information:

- The date of its receipt or acquisition;
- The name and address of the person/business from whom it was received;
- The vehicle's identifying number and description;
- The date it was sold to the scrap metal operator; and
- The scrap metal operator's name and address.

For any vehicle not sold to a scrap metal operator, the salvage business licensee must have a record of:

- The vehicle's description and identifying number;
- The date he or she received it;
- The name and address of the person from whom it was received; and
- The date the vehicle was disposed.

FAILURE TO COMPLY WITH MISSOURI LAWS COULD RESULT IN THE REVOCATION, SUSPENSION, OR DENIAL OF YOUR SALVAGE BUSINESS REGISTRATION OR A CONVICTION

<u>Section 301.229, RSMo</u> states that anyone who violates any provision of <u>Sections 301.217</u> to <u>301.229, RSMo</u> is guilty of a class A misdemeanor and, upon conviction, shall be punished as provided by law.

Denial Of License

An applicant's license may be denied for:

- Failure to comply with <u>Section 301.221, RSMo</u> which requires that all owners, partners, or principal officers listed on the salvage business license application be of good moral character.
- Failure to comply with <u>Sections 301.217</u> to <u>301.229</u>, <u>RSMo</u> and the laws of this state relating to the registration and titling of vehicles.

VIOLATIONS FOR WHICH A SALVAGE BUSINESS LICENSEE CAN BE SUSPENDED OR REVOKED INCLUDE BUT ARE NOT LIMITED TO:

- Failure to maintain a bona fide established place of business.
- Salvage licensee does not maintain reasonable business hours where the public may contact him or her at the business address.
- Salvage licensee does not possess a permanently enclosed building or structure actually occupied as a place of business by the licensee. (Section 301.221 RSMo.)
- Salvage licensee does not maintain a complete set of books, records and files on motor vehicles/motor vehicle parts acquired for resale. They must be kept in the business office, at the registered location and be available during reasonable business hours for the inspection by appropriate law enforcement officials. (Section 301.225, RSMo)
- Salvage licensee cannot be reasonably contacted by the public as shown by returned mail that was addressed to the registered location. This would appear to indicate the licensee is not operating at the registered location. (Section 301.221, RSMo)
- Being in possession of open title(s). <u>Section 301.210, RSMo</u>
- Failing to obtain a salvage title within ten days on motor vehicles purchased during a year that is no more than six years after the manufacturer's model year designation.
 Section 301.227, RSMo.
- Failing to have proof of ownership, proof that a dealer has applied for title, or that a prior lien has been satisfied by the dealer on all motor vehicles in the salvage licensee's possession. Section 301.200, RSMo.
- Being in possession of motor vehicles/motor vehicle parts which had the original manufacturer's number(s) removed/ missing. <u>Section 301.390</u>, <u>RSMo</u>.
- Failing to surrender to the director of revenue the certificates of title on motor vehicles that have been destroyed/ sold for destruction. <u>Sections</u> <u>301.210</u> and <u>301.227</u>, <u>RSMo.</u>
- Failure to comply with all owners of the business listed on the application to be of good moral character. **Section 301.221, RSMo**.
- Failure to display the salvage business certificate of registration at the place of business. **Section 301.223**, **RSMo**.

Responsibilities of a Body Shop

Any time a body shop replaces two or more major component parts on an individual's vehicle, the body shop should notify in writing Department of Revenue, P.O. Box 100, Attention Special Title Desk, Jefferson City, MO 65105 of the following:

- Individual's name and address;
- Year, make and vehicle identification number; and
- Major component parts replaced.

Responsibilities of Scrap Metal Operators

<u>Section 301.227, RSMo</u> requires a scrap metal operator to obtain proof of ownership and keep records of all motor vehicles or motor vehicle parts purchased. A scrap metal operator cannot purchase a motor vehicle or motor vehicle parts without obtaining an original certificate of title, salvage title or a Junking Certificate from the seller, unless the seller is a licensed salvage business.

NOTE:

The ownership documents obtained from a non-salvage business licensee must be stamped/written "sold for destruction" or "destroyed" with name of purchaser and date vehicle was sold on the face of title and forwarded to the director of revenue within ten days of purchase for destruction.

A scrap metal operator must keep a record for three years of all motor vehicles or motor vehicle parts purchased. The record must be open for inspection as provided in <u>Section 301.225</u>, <u>RSMo</u>, and include the following information:

- The seller's name and address;
- .The salvage business license number, if applicable:
- · The date of purchase; and
- The motor vehicle or motor vehicle parts identification numbers.

Taxes On Parts

Taxes Assessed on Motor Vehicle Parts

State and local tax is due on the sale of motor vehicle parts. The tax rate for computing state tax is 4.225% (.04225) of the net price of the part in addition to any local taxes that are imposed.

Definitions for Rebuilt, Reconstructed, Specialty Constructed, Salvage, Junk, Motor Change, Non-USA-Std, and Kit Motor Vehicles A salvage business licensee must have a Missouri Retail Sales Tax License to sell new or used parts. The licensee must collect the taxes from the purchaser of the parts.

A salvage business licensee who uses parts from their inventory for their own use, i.e. rebuilding a motor vehicle, **must** pay taxes on the purchase price of the parts **unless** he or she is also registered as a motor vehicle dealer.

The definitions below determine how a motor vehicle will be classified, branded, and titled.

JUNKING VEHICLE - A vehicle which is incapable of operation upon the highways has no resale value except as a source of parts or scrap, and shall not be titled or registered. A Missouri Junking Certificate will be issued.

REBUILT SALVAGE MOTOR VEHICLE - A vehicle which has been issued a salvage title and repaired/restored to its original appearance and design by means of repaired sheet metal, replacement of new or used major/essential parts of the same vehicle make, model or description (these parts may include a used transmission, engine, fenders, hood, door, trunk lid, bumper, or grille), and which no more than one major component part has been replaced. An original Missouri certificate of title will be issued with the brand code "Prior Salvage Motor Vehicle" printed on the face of the title.

RECONSTRUCTED MOTOR VEHICLE - A motor vehicle which has received damage is repaired, assembled or reconstructed by means of two or more new or used major component parts, including but not limited to such major component parts that have been derived from other motor vehicles, or makes of motor vehicles. An original Missouri certificate of title will be issued with the brand code "Reconstructed Motor Vehicle" or "Prior Salvage Motor Vehicle" printed on the face of the title.

SPECIALLY CONSTRUCTED MOTOR VEHICLE - A motor vehicle that was not originally constructed under a distinctive name, make, model or type by a manufacturer of motor vehicles. The term "specially constructed motor vehicle" includes kit vehicles. An original Missouri certificate of title will be issued with the brand code "Specially Constructed Motor Vehicle" on the title.

MOTOR CHANGE MOTOR VEHICLE - A vehicle manufactured prior to August, 1957, which receives a new, rebuilt or used engine and which used the number stamped on the original engine as the vehicle identification number. An original Missouri certificate of title will be issued with the brand code "Motor Change Vehicle" or "Prior Salvage Motor Vehicle" on the title.

KIT MOTOR VEHICLE - A motor vehicle assembled by a person other than a generally recognized manufacturer of motor vehicles by the use of a "glider kit" or "replica" purchased from an authorized manufacturer and accompanied by a Manufacturer's Statement of Origin. An original Missouri certificate of title will be issued with the brand code "Specially Constructed Motor Vehicle" on the title.

SALVAGE VEHICLE - A motor vehicle, semi-trailer, or house trailer that was damaged less than seven years from vehicle model year and that the total cost of repairs to rebuild or reconstruct the vehicle to its condition immediately before it was damaged for legal operation on the roads or highways exceeds eighty percent of the fair market value of the vehicle immediately preceding the time it was damaged; by reason of condition or circumstance, has been declared salvage, either by its owner, a person, firm, corporation, or other legal entity exercising the right of security interest in it; has been declared salvage by an insurance company as a result of settlement claim; ownership of which is evidenced by a salvage title; or is abandoned property which is titled pursuant to Section 304.157, RSMo, and designated with the words "salvage/abandoned property".

The cost of repairs to rebuild or reconstruct the vehicle shall not include the cost of repairing, replacing, or reinstalling inflatable safety restraints, tires sound systems, or damage as a result of hail, or any sales tax on parts or materials to rebuild or reconstruct the vehicle.

NON-USA-STD MOTOR VEHICLE - A motor vehicle not originally manufactured in compliance with United States' emissions or safety standards. An original Missouri certificate of title will be issued with the brand code "Non-USA-Std Motor Vehicle" on the title.

Title Branding

<u>Section 301.573, RSMo</u> allows, "branding" the certificates of title for certain motor vehicles. This designation will be on all current and subsequent issues of the certificate of title.

In accordance with <u>Section 301.190, RSMo</u> the Director of Revenue will designate on the certificate of title the words "Reconstructed Motor Vehicle," "Specially Constructed Motor Vehicle," "Motor Change Vehicle" "Non-USA-Std Motor Vehicle," "Bonded Vehicle," or "Prior Salvage" as appropriate. Certificates of title are branded "Prior Salvage" in the following situations:

- If applying for an original title and the transaction is accompanied by a Missouri or out-of-state salvage certificate of title and a Vehicle Examination Certificate (Form-551);
- In the past, the vehicle ownership document was issued as a Missouri salvage title and now has an original certificate of title;
- The vehicle's ownership document is an out-of-state title that indicates the vehicle was "Prior Salvage," "Damaged," Rebuilt," "Rebuilt Salvage," "Flood Damaged," "Fire Damaged," "Previously Damaged by Collision" or a similar designation.

An out-of-state title that was issued in the name or assigned to an insurance company in settlement claim will also be branded "Prior Salvage" when a Missouri title is issued. The only exception would be if the vehicle was owned by an insurance company for business use or if the applicant presents proof from the insurance company that the vehicle was not salvaged.

Major Component Parts

As part of repair or rebuilding, many vehicles require the use of one or more major component parts. The major component parts of a motor vehicle are defined as follows:

- REAR CLIP The complete rear sheet metal assembly formed by severing the vehicle across the floor and either through the windshield post or through the rear window post.
- COWL Sheet metal formed by severing the vehicle across the floor in the vicinity of the front seat, severing the wind- shield posts (not including removing the parts forward of the firewall).
- FRAME The steel basic structure which runs the entire length of the vehicle onto which the suspension parts are bolted to the lower side and the body is bolted to the top side.
- FRONT END ASSEMBLY (FEA) An entire unit consisting of that portion of the body from the firewall forward (i.e., hood, fenders, inner skirt or fenders, radiator, or core support, grille).
- FRONT CLIP All parts of the front-end assembly plus complete cowl and may include instrumentation and steering column.
 Requires cutting of floor and windshield post.
- BODY The shell, either of a unibody or frame-type passenger vehicle, which consists of a one-piece, integrated sheet metal construction extending from the firewall back. The body includes a cowl but not a front-end assembly. It may or may not include an interior, doors and deck lid
- CAB The passenger compartment of a common truck. It is a onepiece sheet metal construction, which may or may not include glass, instrumentation, steering column and seat.

Vehicle Examination Certificate (Form-551) Section 301.190, RSMo requires that each application for an original Missouri certificate of title for a vehicle which is classified as a prior (rebuilt) salvage, reconstructed, specially constructed, kit, motor change, Non-USA-Std, or other vehicle as required by the director of revenue must be accompanied by a Vehicle Examination Certificate (Form-551), Exhibit N.

The examination must be performed by a uniformed officer, representative member or a designated employee of the Missouri State Highway Patrol or the St. Louis City/County Auto Theft Unit. Contact one of these entities in your area at least four weeks in advance to schedule the required examination.

The Department's *Vehicle Examination Certificate* must be used to meet the inspection requirement. The applicant must obtain the *Vehicle Examination Certificate* before having the vehicle inspected. The inspection form may be obtained from a local license office or the applicant may submit a written request containing name/address and a check or money order made payable to Department of Revenue in the amount of \$27.50 for each <u>Form-551</u> requested (\$25 for the <u>Form-551</u> and a \$2.50 processing fee) to the Motor Vehicle Bureau, P.O. Box 100, Jefferson City, Missouri 65105-0100. The *Vehicle Examination Certificate* is valid for six months from the date of inspection.

If a vehicle has a current title issued by another state, but had a previous Missouri salvage title, the Missouri State Highway Patrol must inspect the vehicle and verify the vehicle identification number before an original Missouri certificate of title can be issued. The only exception to this requirement is if the vehicle has been inspected in another state by a law enforcement officer in a manner comparable to Missouri's inspection process. If an out-of-state inspection has been completed, the inspection form must accompany the application for title.

Below are the requirements necessary to obtain a title for the vehicles listed above.

- An Application for Missouri Title and License (Form-108) completed and signed by the applicant.
- A Vehicle Examination Certificate (Form-551) with the top portion completed in full and signed by the owner. BE SPECIFIC WHEN DESCRIBING PARTS USED. If no changes were made to the vehicle, please state this fact in section 9B of the form. The bottom portion must be completed by a representative, authorized/designated employee, or uniformed officer of the Missouri State Highway Patrol or the St. Louis City/County Auto Theft Unit.
 - o If the Vehicle Examination Certificate (Form-551) indicates the public vehicle identification number of the vehicle is missing, the applicant must submit an Application for Vehicle/Trailer Identification Number Plate or Verification (Form-5062) and an additional \$10 fee (\$7.50 fee for the replacement vehicle identification number, and a \$2.50 processing fee). THIS APPLICATION MUST BE SIGNED BY THE APPLICANT, NOTARIZED, AND CERTIFIED BY A MEMBER OF THE MISSOURI STATE HIGHWAY PATROL OR THE ST LOUIS CITY/COUNTY AUTO THEFT UNIT.
 - o If the Vehicle Examination Certificate (Form-551) indicates that either multiple identification numbers are affixed to the vehicle and the year or make of the vehicle has changed from what is shown on the certificate of title, or that no identification number exists, the Department may require the owner of the vehicle to remove (or have removed) the multiple numbers, if applicable. The Department will then issue a "DR" number, which will become the vehicle's identification number. An additional \$10 fee (\$7.50 fee for a "DR" number and a \$2.50 processing fee) must be submitted with the transaction.

Titling
Requirements
for Rebuilt,
Reconstructed,
Specialty
Constructed,
Motor Change,
Non-USA-Std,
and Kit Motor
Vehicles

- One of the following must be submitted:
 - o A properly assigned Manufacturer's Statement of Origin;
 - o A properly assigned original certificate of title; or
 - A properly assigned salvage title or bill of sale if an original certificate of title was submitted to the Department's salvage unit prior to September 29, 1983.
- The certificate of title must contain a proper odometer disclosure between the buyer and seller on any vehicle that is less than ten years old and has a gross vehicle weight rating of 16,000 pounds or less.

NOTE: If the true mileage is unknown, a statement from the seller must be submitted containing all facts concerning the true mileage of the motor vehicle and must indicate an estimated mileage. The certificate of title will issue with a mileage discrepancy brand.

- Notarized bills of sale for the major component parts (defined on page 11-9) used to construct the vehicle which includes:
 - The applicant's name;
 - o The part's name;
 - o Purchase price;
 - The year, make, and vehicle identification number of the motor vehicle from which the parts were obtained; and
 - o The seller's name

NOTE: The seller's signature must be notarized

- Copies of the front and back of the certificate(s) of title to the vehicle(s) from which the major component parts were taken.
- Invoices for essential parts such as bumper, hood, fender, grille, trunk lid, and doors that are not major component parts. The invoice must list:
 - The part's name;
 - o The purchase price;
 - o The seller's name;
 - o The applicant's name; and
 - The amount of taxes collected by the seller.

- The applicable fees and tax:
 - \$8.50 title fee;
 - Sales/use tax on the purchase price of the vehicle and all major component parts and other parts used in addition to any local taxes that are imposed. The seller must record the purchase price on the bill of sale, title assignment or invoice, as applicable. If taxes were collected by the seller, an invoice listing the amount of taxes that have been paid must be submitted;
 - A \$10 replacement vehicle identification number plate fee (\$7.50 fee for the replacement vehicle identification number, and a \$2.50 processing fee), if applicable;

NOTE: If a vehicle identification replacement number is needed refer to the VIN Replacement Plates section on page 11-13.

- A \$10 DR Number fee (\$7.50 fee for the re- placement vehicle identification number, and a \$2.50 processing fee), if applicable; and
- o \$2.50 processing fee.
- For "Specially Constructed" vehicles, two photographs of the vehicle, one showing the front and side view of the vehicle and the other showing the back and side view of the vehicle.
- An invoice for Glider Kit or Kit Car. (This requirement applies **ONLY** to "kit" vehicles.)

Please note that in Missouri motor vehicles are titled by appearance. Example: If a 1978 Chevrolet body is attached to a 1979 Ford frame, the vehicle will be titled as a 1978 Chevrolet.

If a vehicle identification replacement number or DR Number is issued to the vehicle, the Motor Vehicle Bureau will not issue a new certificate of title on the vehicle until an authorized officer has certified the replacement VIN plate has been affixed to the vehicle and the officer has notified the Department.

Junking Certificate

Whenever a vehicle is sold for parts, scrap or junk, and NOT for rebuilding or reconstruction, the purchaser may obtain a Junking Certificate. A Junking Certificate authorizes the holder to possess, transport or by assignment, transfer ownership of such parts, scrap or junk. A certificate of title will never be issued again on a vehicle for which a Junking Certificate has been issued unless the initial purchaser rescinds the application for a Junking Certificate within 90 days and applies for a salvage title as outlined below.

To obtain a Junking Certificate, you must submit the following:

- An Application for Missouri Title and License (<u>Form-108</u>) completed and signed; and
- A properly assigned certificate of title, Junking Certificate, or bill of sale for a 1954 or older model vehicle; and
- \$2.50 processing fee.

NOTE: There is no title fee or taxes due on a Junking Certificate.

If within 90 days from the date of issuance of the Junking Certificate the initial purchaser wishes to rescind the certificate, the initial purchaser must apply for a salvage title by submitting the following requirements:

- An Application for Missouri Title and License (<u>Form-108</u>) for a salvage title completed in full and signed;
- The Junking Certificate in the applicant's name;
- A properly completed *Odometer Disclosure Statement* (Form-3019), if applicable;
- A bill of sale, if applicable\
- State and local sales tax due on the purchase price; and
- An \$8.50 title fee; and
- \$2.50 processing fee.

VIN Replacement Plates

The Department may authorize the issuance of one metal replacement VIN plate with the original vehicle identification number stamped on it. The plate will be designed to distinguish the replacement plate from the original plate. Before the issuance of any such plate, an authorized officer of Missouri Highway Patrol, St. Louis City/County Auto Theft Unit, *Vehicle Examination Certificate* (Form-551) Exhibit N) must make a physical inspection of the vehicle to determine the true and complete vehicle identification number. The inspecting officer must certify the inspection in the appropriate place on the *Application for Vehicle/Trailer Identification Number Plate or Verification* (Form-5062).

When the replacement VIN plate is issued, the Department will forward a copy of the <u>Form-5062</u> to the Missouri State Highway Patrol. The Missouri State Highway Patrol will make the plate and forward it to the authorized officer who will contact the vehicle owner.

The authorized officer must attach or supervise the attachment of, the replacement plate to the vehicle. The officer must make a certification on the Form-5062 attesting to the attachment of the plate and return the copy to the Department. No replacement VIN plate, other than one provided by the Department shall be affixed to any motor vehicle or trailer.

NOTE: The Motor Vehicle Bureau **will not issue** a new certificate of title on the vehicle (if applicable) until an authorized officer has certified the replacement VIN plate has been affixed to the vehicle and the officer has notified the Department.

When applying for a VIN replacement plate, the applicant must submit the following:

 Application for Vehicle/Trailer Identification Number Plate or Verification (Form-5062) signed by the applicant and notarized;

NOTE: The inspection portion of the *Application for Vehicle/Trailer Identification Number Plate or Verification* (Form-5062) must be completed and signed by an authorized officer of the Missouri State Highway Patrol, St. Louis City/County Auto Theft Unit.

- A copy of the title to the vehicle in the applicant's name;
 - A Missouri registered motor vehicle dealer must submit either a copy of the front of the title in their name or a copy of the front and back of the title assigned to the dealer.
- A check or money order payable to Department of Revenue in the amount of \$10 (\$7.50 VIN replacement plate fee and \$2.50 processing fee).

Salvage Titling Laws

<u>Sections 301.217</u> and <u>301.010 RSMo</u>, provide the following definitions regarding the issuance of salvage certificates of ownership:

- Purchaser The buyer of a salvage vehicle, including an insurance company for purposes of Sections 301.217 to 301.229 RSMo.
- Salvage Certificate of Title The title issued by the Department as proof of ownership for a salvaged vehicle. It shall not be acceptable for the purpose of registering a motor vehicle. The salvage title is negotiable with only one reassignment possible and only by a registered motor vehicle dealer.
- Salvage Motor Vehicle (See Page 11-8)

Requirements for Obtaining a Salvage Title

Below are the requirements necessary for obtaining a salvage title on a motor vehicle:

- An Application for Missouri Title and License (<u>Form-108</u>) completed and signed by the applicant;
- A properly assigned original or salvage title. If the original certificate of title was submitted to the Department's salvage file prior to September 28, 1983, a bill of sale may be submitted as proof of ownership;

NOTE: The certificate of title must contain a proper odometer disclosure between the buyer and seller on any vehicle that is less than ten years old and has a gross vehicle weight rating of 16,000 pounds or less.

- The applicable fees and taxes:
 - \$8.50 title fee. (If a "quick title" is desired, an additional \$5 expeditious handling fee must be included with the title fee.);
 - \$2.50 processing fee.

Sales/use tax on the <u>purchase price</u> of the vehicle in addition to any local taxes that are due. The purchased price must be documented and recorded by the seller on the title assignment or bill of sale unless the applicant is tax exempt. Salvage business licensees (including salvage dealers) are not exempt form sales tax unless they are also licensed as a motor vehicle dealer.

NOTE: Once a salvage title is issued on a vehicle, an original Missouri certificate of title will not be issued on the vehicle until after an inspection and all documents and fees are submitted as outlined on page 11-14 to 11-15. The original title and all subsequent titles will be branded "Prior Salvage."

Titling Salvage Motor Vehicles - When Required and When Optional

Whenever a motor vehicle is less than seven years old, is sold for salvage, dismantling, or rebuilding, it is mandatory that the purchaser apply for a salvage title within ten days of purchase. On vehicles less than seven years old, the purchaser has the **option** of applying for salvage title on the vehicle **unless and until** the entire salvaged motor vehicle is sold. The purchaser of a salvage motor vehicle is required to obtain a salvage title to the vehicle **prior to transferring** ownership.

Only a Missouri registered motor vehicle dealer may use the second assignment (reassignment) of a Missouri salvage title to transfer ownership of a salvaged vehicle without having to obtain a salvage title in the dealership's name. If an out-of-state salvage title is involved, the dealer may ONLY make one assignment if the state's title permits such reassignment. A MISSOURI DEALER MAY NOT ATTACH A REASSIGNMENT OF OWNERSHIP BY REGISTERED DEALER (DOR-2447A, Exhibit M (Rider)) TO A MISSOURI OR OUT-OF-STATE SALVAGE TITLE. A Missouri dealer may purchase a salvage vehicle on an out-of-state rider only if that state allows a rider to be attached. In this case the dealer must obtain a Missouri salvage title in the dealership's name before reselling the vehicle.

Once a salvage title has been issued, the ownership of the vehicle may only be transferred by assignment of the salvage title. The salvage title may not be used for licensing the vehicle.

"Parting Out" a Salvage Motor Vehicle

Parting Out a Motor Vehicle Not Less Than Seven Years Old

A registered salvage business licensee **must** apply for a salvage title **within ten days** of purchasing a vehicle that is **not less than seven years old.** After the salvage business licensee has applied for the salvage title, they may proceed to "part out" (sell parts separately) the salvage motor vehicle. If the licensee sells any part that is **not** a major component part, the licensee must provide a descriptive bill of sale to the purchaser. If the licensee sells any part that **is** a major component part, a copy of the front and back of the salvage title and a descriptive notarized bill of sale must be given to the purchaser. If the licensee sells any part that **is** a major component part and has not received a salvage title in their name, they must provide the purchaser with a copy of the front and back of the surrendered title, a copy of the titling receipt, and a descriptive notarized bill of sale.

A registered salvage business licensee who is also a registered motor vehicle dealer, may "part out" a salvage motor vehicle not less than seven years old without obtaining a salvage title in the dealership's name, only if a salvage title has been properly assigned to the dealership. The dealer must provide the purchaser(s) of major component parts of the vehicle in question with a copy (front and back) of the assigned salvage title along with a descriptive notarized bill of sale.

Selling or Parting Out a Motor Vehicle Less Than Seven Years Old

Whenever a motor vehicle less than seven years old has been sold for salvage, rebuilding, or dismantling, the seller must assign/deliver the existing original or salvage title to the purchaser. The requirements concerning the disposition of the title will directly depend upon what the purchaser does with the motor vehicle.

Selling a Salvaged Motor Vehicle Less Than Seven Years Old

If the purchaser elects to sell the entire motor vehicle a salvage title must first be obtained.

NOTE: If a salvage title already exists, a motor vehicle dealer may make <u>one</u> reassignment on the title if there is room for an assignment. A MISSOURI DEALER MAY NOT ATTACH A *REASSIGNMENT OF OWNERSHIP BY REGISTERED DEALER* (DOR-2447A, Exhibit M (Rider)) TO A MISSOURI OR OUT-OF-STATE SAL- VAGE TITLE. A Missouri dealer may purchase a salvage vehicle on an out-of-state rider only if that state allows a rider to be attached. In this case the dealer must obtain a Missouri salvage title in the dealership's name before reselling the vehicle.

Parting out a Salvage Motor Vehicle Less Than Seven Years Old

If the owner dismantles/"parts out" the motor vehicle, he or she must:

- Provide the purchaser with a copy of the front and back of the title for each major component part removed from the vehicle.
- Issue a descriptive notarized bill of sale to the purchaser for each of the major component parts sold.

If the owner destroys the remainder of the motor vehicle, the title must be surrendered to the Department in accordance with the procedures detailed on page 11-18.

Salvage Vehicle Twenty-Five Years or Older

Titling Requirements for a Salvaged Motor Vehicle Twenty-Five Years of Age or Older for which a Title Does Not Exist

The purchaser/owner of a motor vehicle 25 years old or older for which **no certificate of ownership is known to exist**, may obtain a Missouri **salvage title** for the vehicle by submitting the following:

- An Application for Missouri Title and License (Form-108) completed and signed by the applicant;
- A surety bond equal to one and one-half times the purchase price of the vehicle;

- A descriptive bill of sale;
- A statement of fact(s) from the seller as to how he or she came to be in possession of the salvaged vehicle. In the event there may not be an actual purchase, e.g., a farm purchase where the vehicle came with the property, the applicant may provide this statement; however, a statement from the seller is preferred; and
- The applicable fees and taxes
 - An \$8.50 original title fee. (If a salvage "quick title" is desired, an additional \$5 expeditious handling fee must be included with the title fee.);
 - o \$2.50 processing fee; and
 - The sales/use tax on the <u>purchase price</u> of the vehicle in addition to any local taxes that are due

Transferring Ownership of a Salvage Motor Vehicle

Section 301.210, RSMo requires that at the time of sale of a motor vehicle or trailer, a properly assigned certificate of title shall pass between the parties. IT IS UNLAWFUL FOR ANY PERSON/DEALER TO "SKIP" AN ASSIGNMENT OR BE IN POSSESSION OF AN "OPEN TITLE." An open title is a title that has the seller's signature in the title assignment area but the purchaser's name is left blank.

Motor Vehicles Destroyed or Sold for Destruction

Whenever a salvage business licensee sells a motor vehicle for destruction, the certificate of title must be forwarded to the Department within ten days. The seller must write on the face of the title certificate "SOLD FOR DESTRUCTION" or "DESTROYED," the name(s) of the purchaser(s), and the date the vehicle was sold. Writing "JUNK" on the face of the title is **not acceptable** and will be returned.

If the owner destroys the vehicle, the owner must write on the face of the certificate of title "Destroyed by (name)" and the date the vehicle was destroyed.

These certificates of title must be forwarded to: Motor Vehicle Bureau Special Title Unit PO Box 3325 Jefferson City, Missouri 65105-3325

Requirements for Owners Who Retain Their Salvage Vehicle

Missouri law provides that when a vehicle owner retains ownership of a salvaged vehicle upon payment of a total loss claim, the vehicle owner may obtain a **prior salvage** title <u>if the vehicle</u> is <u>still operable</u> by submitting the following to a license office:

- Application for Missouri Title and License (<u>Form-108</u>) marked "Prior Salvage";
- Title for the vehicle
- If the vehicle will be registered, an official safety inspection, less than 60 days old, or an ID/OD inspection if the vehicle will not be registered at this time (only applies if the vehicle is operable);
- A copy of the Notice of Vehicle Titling Requirements (Form-5043); and
- A title fee of \$8.50 and a \$2.50 processing fee.

The Notice of Vehicle Titling Requirements (Form-5043) has been revised to reflect these new changes to assist insurance companies in notifying claimants of the titling responsibilities. The form may be printed from the Department's website at http://dor.mo.gov/forms/.